

12/13/78 [2]

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Report	<p>1980 Budget Report, 13 pp. and folder</p> <p><i>9 pp. declassified per RAC NLC-126-15-20-1-2</i></p> <p><i>NLC-126-15-20-2-1, 6/27/13</i></p>	12/13/78	A

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the christian CENTURY

JAMES M. WALL
EDITOR

407 SOUTH DEARBORN STREET
CHICAGO, ILL. 60605
312 - 427-5380
HOME 312 - 279-7168

DECEMBER 13, 1978



C



The Words of Worship: Beyond Liturgical Sexism

James F. White

Amid Beirut's Bombardment

Liston Pope, Jr.

Ignazio Silone as Outsider

Lawrence S. Cunningham

The Heart of Darkness

The Face of the Beast

Searching for Sin

in China

The Subversive Hope

6232

THE WHITE HOUSE
WASHINGTON

13 Dec 78

Tim Kraft
ARnie Miller

The attached was returned in
the President's outbox today
and is forwarded to you for
appropriate handling.

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

December 6, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

TIM KRAFT TK
ARNIE MILLER AA

SUBJECT:

Rod Leonard, Deputy Director, U.S. Office
of Consumer Affairs, Department of Health,
Education and Welfare

Attached is Esther Peterson's recommendation that Rod Leonard, who has served on her staff since June 1978, be named Deputy Director of the U.S. Office of Consumer Affairs (HEW). While the position is a Presidential appointment, it does not require Senate confirmation.

We anticipate that Jack Anderson's column on Saturday may raise some question of Leonard's status and the propriety of certain personnel memos he signed at Ms. Peterson's direction while he was technically still an expert consultant.

We feel that Anderson's concerns are unjustified and recommend proceeding with the appointment. Stuart concurs.

RECOMMENDATION

Appoint Rod Leonard as Deputy Director, U.S. Office of Consumer Affairs (HEW).

✓ approve disapprove



THE WHITE HOUSE

WASHINGTON

November 30, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

ESTHER PETERSON

SUBJECT: Appointment of Deputy Director, U.S. Office
of Consumer Affairs, HEW

Rod Leonard, who is acting as my deputy under an expert appointment, has now been cleared by the Civil Service Commission for a regular Schedule C position in the U.S. Office of Consumer Affairs. I would like to formally name him as Deputy Director of the U.S. Office of Consumer Affairs (HEW). Executive Order 11583, establishing this office, requires that this be a Presidential appointment. He is a recognized consumer leader, and has broad support among his constituency. Since you appointed me Director of the Office last summer, he has been instrumental in helping me with the reorganization of the office and ably represents me in the work I do within the White House and with the public.

While the Executive Order authorizes the appointment of two deputies, I plan to ask you to appoint only one. I would appreciate very much your concurrence with this recommendation.

RESUME

Rodney E. Leonard
Executive Director
Community Nutrition Institute

Date of Birth: December 7, 1929

Social Security No. : 511-22-7197

Name of Spouse: Elizabeth B. Leonard

Name of Children: Jane, Karin and John

Home Address: 5710 Kingswood Road
Bethesda, Maryland 20014

Phone: Home -530-0961
Office -833-1730

EMPLOYMENT:

1970 - Present

Organized CNI, and serve as chief executive officer. Primary duties consist of supervising news staff for CNI Weekly Report, the training staff for CNI Services division, and the Consumer Service division staff. I provide information and assistance to Congressional committees and offices of Congressmen and Senators, negotiate and work with Federal regional, State and local government agency personnel, maintain liaison with labor, civic, religious, business, and academic organizations in Washington, and maintain contact with key executive agency personnel in HEW, CSA, USDA and FTC. I testify before Congressional committees and speak to national and State organizations with particular interest in nutrition policy and programs. Other responsibilities include preparing studies of food policy issues, analyzing and evaluating program effectiveness of food and nutrition programs, writing reports, including articles for the Weekly Report and other publications, and planning and conducting workshops on nutrition policy issues.

1969 - 1970

Consultant to various organizations, including the Fod Foundation, the Citizen Committee on Children of New York City, The Children's Foundation, the Hoboken Model City project and various school food service groups.

1967 - 1968

Administrator, Consumer and Marketing Service, the U. S. Department of Agriculture. The major duties were to supervise marketing and consumer service programs of the USDA including marketing orders, product standards and grades, meat and poultry inspection, the food stamp program, the child nutrition programs -- school lunch and breakfast and summer feeding, commodity distribution programs, and other activities such as transportation and warehouse services. I was responsible for a budget of more than \$2 billion and supervision of more than 16,000 employees.

Other responsibilities included representing the USDA in meetings with White House staff on consumer and marketing programs, preparing and presenting budgets before the Budget Bureau and the Appropriation committees, developing and carrying out strategies to obtain legislation dealing with consumer and marketing programs, including testifying before Congressional committees and participating in markup activities and conference committee deliberations.

I represented the USDA in meetings, discussions and negotiations with other agencies, particularly the Departments of State and Health, Education and Welfare. I met with and negotiated with embassy staff and national delegations representing foreign governments. particularly on matters of food imports. I met with and maintained continuous liaison with business, farm labor, civic, and religious groups, and maintained contact with State government agencies providing counter-part services.

1965 - 1966

Deputy Assistant Secretary of Agriculture for Marketing and Consumer Services. Principal duties were to supervise agencies and programs for marketing and consumer services, including CMS described above, the Commodity Exchange Authority, and the Packer and Stockyard Act. I was responsible for the development of budgets and programs in these agencies, and participated in the development of the overall USDA budgets and programs. I represented the USDA in discussions and negotiations with the White House and the Budget Bureau, presented the USDA position on these program areas before the appropriations and legislative committees of Congress. I represented the USDA in legislative activities, including testimony, committee markups, conference committees, and in meetings and negotiations with individual Congressmen and Senators. Other duties included developing workshops and conference with producer groups affected by programs under my supervision, and developing and maintaining liaison with labor, business and other organizations and groups.

1961 - 1965

Assistant to the Secretary of Agriculture, for press relations. Primary duties included preparing major speech drafts, and editing all final speech copy for the Secretary, supervision of USDA information services, preparing press conferences and other major press or media activities for the Secretary, and briefing of correspondents and reporters on positions and views of the Secretary as related to major policy issues affecting agriculture.

Other duties included preparing material for the White House, including statements for the President and the agriculture segments of the Budget and State of the Union speeches, and attending conferences at the White House to plan press activities. I also acted as a trouble-shooter for the Secretary on special assignments.

Resume

Rodney E. Leonard

Page Four

1958 - 1960

Press Secretary to the Governor of Minnesota. Duties included drafting major speeches, editing all speeches and press statements, supervising press conferences and other major public appearances, and briefing reporters and writers on the position and view of the Governor on public issues. I also served as program liaison with key State agencies, including Conservation, Veterans Affairs, and Economic Development.

1956 - 1957

Product Information Supervisor, Minnesota Mining and Manufacturing Co., St. Paul, Minnesota.

1955 - 1956

Reporter, Minneapolis Tribune.

COMMUNITY AND CITIZEN ACTIVITIES:

Member, Consumer Advisory Panel to the Food and Nutrition Board. At the request of the Board, I helped organize this panel and act as coordinator to insure consumer participation in various program activities of the Board.

Member, United Presbyterian Church Hunger Program Advisory Committee, an anti-hunger project of the national church's General Assembly.

Member of the consumer panel of the Democratic Policy Study Group of the Democratic National Committee.

Participant in the recent Conference on Research Priorities in Agriculture held in Kansas City.

President of Congregations United for Shelter, a non-profit organization sponsored by 17 congregations in Montgomery County, Maryland, and serve as a board member of the Housing Opportunities Council of metropolitan Washington, D.C.

President, Walter Johnson High School Booster Club

THE WHITE HOUSE
WASHINGTON

November 30, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

TIM KRAFT *TK*
ARNIE MILLER *AM*

SUBJECT:

Deputy Assistant Secretary of Labor
for Veterans Employment

Secretary Marshall has recommended Dr. Dennis Wyant for the Deputy Assistant Secretary of Labor for Veterans Employment. Dr. Wyant is a blinded veteran and has substantial experience in veterans and handicapped affairs. Wyant is currently serving as Special Assistant to Max Cleland. Wyant met with Stu's staff and they endorse his appointment.

RECOMMENDATION

Nominate Dennis Wyant to serve as Deputy Assistant Secretary of Labor for Veterans Employment.

✓ approve

 disapprove

J

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

October 19, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall *Ray Marshall*

SUBJECT: Recommendation for the Deputy Assistant
Secretary of Labor for Veterans' Employment

I wish to recommend that you nominate Dr. Dennis Wyant of Bethesda, Maryland for the position of Deputy Assistant Secretary of Labor for Veterans' Employment. Dr. Wyant is a blinded veteran who currently serves as a Special Assistant to the Administrator of the Veterans Administration. He has had wide experience in veterans' and handicapped affairs. I personally interviewed Dr. Wyant and two other final candidates for this job, and am convinced he is the best possible choice for the job. He has the support of the major veterans' organizations. We have discussed his nomination with interested Congressmen and Senators and at this point they do not object. A copy of his biography is attached.

I would be pleased to discuss this recommendation further with you or your staff.

Attachment

DENNIS R. WYANT
Bethesda, Maryland

EXPERIENCE

1977 - Present Special Assistant to the Administrator,
 Veterans Administration

1976 - 1977 Chief of Economic Concerns and Disabled
 Veterans

1975 - 1976 Staff Coordinator to Committee on Disabled
 Veterans, President's Committee on Employ-
 ment of the Handicapped

1973 - 1975 National Field Director for the Blinded
 Veterans Association

1966 - 1973 National Cash Register, large marketing-
 oriented business equipment manufacturer.
 Positions of increasing responsibility

EDUCATION

1975 Certified as Rehabilitation Counselor (CRC)

1974 University of Cincinnati, Doctor of Education

1973 Accredited as National Service Officer

1971 Wright State University, MBA

1965 Southwest Missouri State University, B.S.

CIVIC ACTIVITIES AND AWARDS

Consultant/Advisor to American Foundation for the Blind
President's Committee on Employment of the Handicapped
White House Conference on Handicapped Individuals
Intra-Agency Committee on Handicapped Employees
Board Member for D.C. Job Placement Division of the
National Rehabilitation Association
Cardinal Citation
Veterans Administration Commendation
Diener Award for Service to Blinded Veterans
BVA Commendation
Meritorious Service Award from President's Committee on
Employment of the Handicapped
Governor's Community Action Award (Ohio)

PERSONAL

White Male
Age 34
Democrat

The President

1980 BUDGET APPEAL

Foreign Affairs

To
McIntyre
J

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SIGNATURE TAB

This sheet will precede the signature page in assembled correspondence.

SIGNATURE

CONCURRENCE TAB

This sheet will precede the concurrence page in assembled correspondence.

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THE WHITE HOUSE
WASHINGTON

13 Dec 78

Jim McIntyre
Zbig Brzezinski

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the President's outbox today
and is forwarded to you
for appropriate handling.

Rick Hutcheson

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BY K5 NARA DATE 6/35/93

FOR STAFFING
 FOR INFORMATION
 FROM PRESIDENT'S OUTBOX
 LOG IN/TO PRESIDENT TODAY
 IMMEDIATE TURNAROUND
 NO DEADLINE
 LAST DAY FOR ACTION

*of both
 memos*

ACTION

FYI

ADMIN CONFIDENTIAL
 CONFIDENTIAL
 SECRET
 EYES ONLY

VICE PRESIDENT

JORDAN

EIZENSTAT

KRAFT

LIPSHUTZ

MOORE

POWELL

RAFSHOON

WATSON

WEXLER

BRZEZINSKI

MCINTYRE

SCHULTZE

ADAMS

ANDRUS

BELL

BERGLAND

BLUMENTHAL

BROWN

CALIFANO

HARRIS

KREPS

MARSHALL

SCHLESINGER

STRAUSS

VANCE

ARAGON

BUTLER

H. CARTER

CLOUGH

CRUIKSHANK

FALLOWS

FIRST LADY

GAMMILL

HARDEN

HUTCHESON

LINDER

MARTIN

MOE

PETERSON

PETTIGREW

PRESS

SANDERS

VOORDE

WARREN

WISE

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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

~~CONFIDENTIAL~~ 7381
3619
J

~~CONFIDENTIAL~~

December 8, 1978

INFORMATION

MEMORANDUM FOR: THE PRESIDENT
FROM: ZBIGNIEW BRZEZINSKI 25.
SUBJECT: Security Assistance

To follow-up your meeting Tuesday on the Foreign Affairs budget, the memorandum at Tab A from Harold strengthens the arguments made to you by Warren and Cy which I support.

~~CONFIDENTIAL~~
Declassify on
December 6, 1984.

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BY 25 NADA, DWE 6/25/13

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~~CONFIDENTIAL~~

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

MEMORANDUM FOR: THE PRESIDENT
FROM: James T. McIntyre, Jr. *J. T. McIntyre*
SUBJECT: Presidential Appeal, Foreign Affairs

The following appeal items were discussed with you at yesterday's Foreign Affairs appeal session.

International Security Assistance

1. MAP Phaseout

State and Defense recommend that no decision be made on MAP beyond 1981, pending completion of an interagency study (which is likely to recommend continuation of grant MAP).

OMB recommends reaffirming your earlier decision to phase out grant MAP, while seeking to preserve MAP authority for unforeseen exceptional circumstances. This would allow you to take credit for phasing out a small but costly foreign aid program at a time of severe domestic spending restraint.

Agree ☒ Other ☐ *J*

2. Turkey

Although Warren Christopher indicated at yesterday's meeting that no specific dollar level had been discussed with the Turkish Government, State Department officials have made statements which raised Turkish expectations of significant increases above the \$250 million level (see attached cables). State believes \$305 million is the minimum necessary to meet Turkish expectations and that reprogramming options are very limited. OMB believes a smaller amount might be feasible, and that this could be reprogrammed from other SSA countries.

State's allocation at the OMB level would allow \$250 million. Warren indicated that some \$20 million might be reprogrammable from Syria. OMB believes that as much as \$20 - 30 million more could be shifted from Southern Africa.

Alternatives

- A. Do not resume grant MAP, but permit State to reprogram SSA for Turkey within the OMB totals. (OMB recommends)

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BY K3 NARA DATE 6/25/78

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2 \$300 mil

B. Approve \$305 million for Turkey, without grant MAP, with State required to absorb \$20 million. (Raises SSA by \$33 million above OMB level)

C. Approve \$305 million for Turkey, and fund the full \$53 million increment through program budget increase. (State recommends)

Agree with OMB _____

Other B J

3. FMS Credits

We met subsequently with Warren Christopher and Treasury representatives and have settled the issue of the 1979 and 1980 FMS credit levels. State will accept OMB's 1979 recommendation, and we have agreed to a \$35 million increase in the 1980 program which will be financed through the Federal Financing Bank (no budget outlays). *sh*

Development and Other Assistance

1. AID Development Programs

State and AID request a restoration of \$127 million for AID programs, citing individual country requirements, the importance of this restoration to North/South relations, and the need to hedge against possible deep congressional reductions that could reduce actual 1980 appropriations below 1979. Henry Owen proposes a slightly smaller increase.

OMB believes that the recommended 8 percent growth over the 1979 appropriations is generous in relation to domestic programs. A \$127 million difference in a total development aid request of \$7 billion is not likely to have a significant impact on North/South relations when developing countries want multibillion dollar increases. Finally, there is no room for "cut insurance" in this budget.

(\$ in millions)

		1980		
	<u>1979</u> <u>Est.</u>	<u>OMB Rec.</u>	<u>Appeal</u>	<u>Difference</u>
<u>AID programs</u>				
Programs	1,551	1,678	1,805*	+127
Outlays	1,183	1,248	1,263	+ 15

*Henry Owen has proposed \$1,797 million.

Agree _____

Other _____

*I agree with
Henry J*

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3

2. P.L. 480 Food Aid

State did not raise the issue in our meeting, but proposes a restoration of \$36 million to carry out programs aimed at political objectives in the Philippines and the Middle East.

OMB opposes an increase in the total program and questions the addition for these particular countries because they would have limited developmental benefits. Henry Owen concurs.

	1979 Est.	1980		
		OMB Rec.	Appeal	Difference
<u>P.L. 480</u>				
Program	1,352	1,399	1,435	+36
Outlays	1,044	999	1,035	+36
Agree <input checked="" type="checkbox"/>		Other <input type="checkbox"/>		

3. International Organizations and Programs (IOPs)

Warren Christopher did not raise this issue, but State seeks restoration of \$15 million for voluntary contributions to six UN and OAS programs, primarily to improve North/South relations in the UN system.

OMB believes that the increments will have negligible impact on programs on overall North/South relations.

	1979 Est.	1980		
		OMB Rec.	Appeal	Difference
<u>IOPs</u>				
Programs	260	277	292	+15
Outlays	259	273	284	+11
Agree <input checked="" type="checkbox"/>		Other <input type="checkbox"/>		

4. Outyear Targets for Concessional Economic Assistance

Henry Owen believes that the tentative decision on a two-year deferral of the \$10 billion target for U.S. concessional economic aid would seriously undercut U.S. credibility with the developing world, which has been led to expect rapid and substantial increases. He proposes a one-year deferral. (State and AID have proposed reaffirming your original targets as soon as economic circumstances permit).

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4

OMB believes that the deferral is needed to bring the targets into line with what AID can actually achieve, to reflect relatively evenhanded treatment with outyear domestic programs, and to avoid undermining our efforts to increase the credibility of the multiyear budgeting system.

(Program in \$ billions)

	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
<u>Economic AID</u>					
Owen (1 year deferral)	7.4	8.0	8.8	10.0	10.8
(of which AID)	(1.8)	(2.0)	(2.5)	(3.3)	(4.0)
OMB (2 year deferral)	7.3	7.9	8.4	9.2	10.0
(of which AID)	(1.7)	(1.9)	(2.2)	(2.6)	(3.3)

Agree _____

Other _____

I agree with Henry

Attachment

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SEP 27 1978
Department of State

INCOMING
TELEGRAM

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BY KS NARA DATE 6/25/13

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USMISSION USNATO PRIORITY

~~C O N F I D E N T I A L~~ SECTION 03 OF 05 LONDON 14618

EXDIS HANDLE NODIS

THOUGHT THAT LIFTING THE EMBARGO WOULD HAVE A HELPFUL EFFECT BY RESTORING MORE CONFIDENCE IN TURKEY AND ITS OVERALL POSITION IN THE WEST ON THE PART OF THE BANKING COMMUNITY.

13. WITH REGARD TO XMB, NIMETZ SAID WE WOULD REVIEW THE SITUATION WITH THE BANK CONCERNING THE RESUMPTION OF LENDING IN TURKEY FOR WORTHWHILE PROJECTS. WE WOULD BE BACK IN TOUCH ON THIS.

14. NIMETZ SAID WORK ON PREPARING THE 1980 BUDGET WAS AT AN EARLY STAGE AND MANY OFFICES WERE INVOLVED. AT THE NIMETZ LEVEL THE CURRENT THINKING FOR TURKEY WAS FOR A TOTAL MILITARY/ECONOMIC PACKAGE ABOVE THE 1976 DCA LEVEL (\$250 MILLION). NIMETZ SAID HE RECOGNIZED ECEVIT'S NEED TO SHOW THAT TURKEY WOULD BE RECEIVING SIGNIFICANT PRACTICAL ASSISTANCE TO HELP COPE WITH ITS MILITARY AND ECONOMIC PROBLEMS. WE ALSO UNDERSTOOD THAT BEFORE A FINAL PUBLIC DECISION IS TAKEN, ECEVIT NEEDS SOME GENERAL IDEA OF WHAT TO EXPECT. NIMETZ SAID THAT ON HIS

RETURN TO WASHINGTON HE WOULD SEE IF THE GOT COULD AT

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CINCUSAFE RAMSTEIN

~~CONFIDENTIAL~~ SECTION 2 OF 2 ANKARA 6777

EXDIS

MILITARY ADDEES TREAT AS SPECAT EXCLUSIVE

7. ON SPECIFIC BASE ISSUES, ELEKDAG TOUCHED ONLY ON THE FUTURE OF COAST GUARD STATION AT KARGABURUN AND BELBASI. HE RECALLED THAT THE SUGGESTION WAS MADE DURING CHRISTOPHER VISIT LAST YEAR THAT TURKS TAKE OVER THEIR OPERATION. AT THE TIME MINISTRY OF DEFENSE SAID IT WAS NOT INTERESTED IN KARGABURUN BUT NOW POSSIBLY MINISTRY OF COMMUNICATIONS WOULD BE INTERESTED. MINISTRY WOULD BE SENDING A TEAM THERE NEXT WEEK TO LOOK AT THE STATION. I SAID THAT A YEAR AGO THE COAST GUARD WAS READY TO TURN THE STATION OVER. IF TURKS WERE NOT INTERESTED, I ASSUMED WE WOULD WANT TO CONTINUE THE OPERATION OURSELVES. ON BELBASI, ELEKDAG SAID THAT THINGS WERE STILL UP IN THE AIR. HE WANTED A CLEAR-CUT RESPONSE (PRESUMABLY FROM THE TURKISH AGENCY WHICH WOULD RUN THE FACILITY, IF THEY TOOK IT OVER).

8. U. S. ECONOMIC AND MILITARY AID. ELEKDAG REITERATED THAT ECEVIT HAD POLITICAL NEED FOR SOME TANGIBLE INDICATION OF HOW MUCH MILITARY AND ECONOMIC ASSISTANCE U. S. WOULD BE PROVIDING. ESENBEL'S MEETINGS WITH NIMITZ HAD INDICATED USG APPRECIATION FOR TURKISH DECISION TO REOPEN BASES BUT OFFERED NO SPECIFICS ON ASSISTANCE. I EXPLAINED HOW OUR INTERNAL BUDGETARY PROCESS MADE IT EXTREMELY DIFFICULT FOR DEPARTMENT TO GIVE FIGURES AT THIS POINT, BUT SAID THAT THE SECRETARY, AND I EXPECTED ALSO THE PRESIDENT, WERE AWARE OF PRIME MINISTER ECEVIT'S NEED FOR A FIGURE ABOVE THE \$250 MILLION LEVEL OF THE 1976 DCA. I SAID I WAS PERSONALLY CONFIDENT THAT WHEN THE BUDGET PROCESS WAS COMPLETE WE WOULD BE ABLE TO MEET HIS NEED SPIERS

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PRESIDENT JIMMY CARTER
H.E.W. CONFERENCE ON FRAUD, ABUSE AND ERROR
WEDNESDAY, DECEMBER 13, 1978

*Cabinet Officer - non-controversial
State headlines for Sen. K*

LADIES AND GENTLEMEN --

I AM DELIGHTED TO JOIN YOU TODAY FOR THIS CRUCIAL
CONFERENCE. I WANT TO COMMEND JOE CALIFANO FOR ONCE AGAIN
TAKING THE LEAD IN THE EFFORTS OF MY ADMINISTRATION TO
ROOT OUT FRAUD AND WASTE AND ABUSE OF TAXPAYER'S MONEY
FROM THIS GOVERNMENT.

THIS ADMINISTRATION HAS DECLARED WAR ON WASTE AND
FRAUD IN GOVERNMENT PROGRAMS.

WITH YOUR HELP WE WILL WIN THAT WAR.

WE ARE CONCERNED WITH MORE THAN SAVING DOLLARS,
CRUCIAL AS THAT IS TODAY.

WE MUST ^{*continue to*} RESTORE AND REBUILD THE TRUST THAT MUST
EXIST IN A DEMOCRACY BETWEEN A FREE PEOPLE AND THEIR
GOVERNMENT.

--MY ADMINISTRATION TOOK OFFICE.....

MY ADMINISTRATION TOOK OFFICE AFTER A PAINFUL AND
DIFFICULT PERIOD IN AMERICAN HISTORY, AS YOU WELL KNOW.

THE EXPERIENCE OF VIETNAM, ... OF WATERGATE, ...
REVELATIONS OF WRONGDOING BY INTELLIGENCE AGENCIES, ... THE
RESIGNATIONS OF A VICE PRESIDENT AND PRESIDENT, ... THE
INDICTMENT AND CONVICTION OF TOP GOVERNMENT OFFICIALS --
THESE HIT THE AMERICAN PEOPLE LIKE HAMMER BLOWS, OVER AND
OVER AGAIN.

EACH SHATTERED, A LITTLE MORE, THE TRUST AND
CONFIDENCE OF THE AMERICAN PEOPLE IN THEIR GOVERNMENT AND
THEIR ELECTED OFFICIALS.

CYNICISM AND DISTRUST EAT AWAY AT THE VITALITY
OF A DEMOCRATIC NATION.

LINCOLN ONCE SAID, "WITH PUBLIC CONFIDENCE
EVERYTHING IS POSSIBLE; WITHOUT IT NOTHING IS POSSIBLE."

OVER THE PAST TWO YEARS, SLOWLY AND STEADILY,
WE'VE BEGUN TO RESTORE THE TRUST AND CONFIDENCE OF THE
AMERICAN PEOPLE.

BUT IT IS NOT ENOUGH FOR PEOPLE TO HAVE CONFIDENCE
IN THE GOOD INTENTIONS AND PERSONAL INTEGRITY OF THOSE
WHO HOLD PUBLIC OFFICE.

6728

THE AMERICAN PEOPLE MUST ALSO KNOW THAT GOVERNMENT
IS CAPABLE OF DOING ITS JOB.

FRAUD AND ABUSE AND WASTE UNDERMINE THAT PRECIOUS
CONFIDENCE.

THOSE WHO ROB FROM GOVERNMENT ROB FROM EVERY
STEEL WORKER, TEACHER, STORE CLERK, AND TRUCK DRIVER
IN AMERICA. UNDER THIS ADMINISTRATION, THOSE WHO ROB
FROM THE AMERICAN PEOPLE WILL BE PROSECUTED TO THE FULL
EXTENT OF THE LAW.

I DO NOT BELIEVE THAT AMERICANS WANT TO GO BACK
ON THE PROMISE OF A BETTER LIFE AND A FAIRER SOCIETY.

THE HEART OF AMERICA IS TOO BIG FOR THAT.

THE AMERICAN PEOPLE WILL NOT ACCEPT CALLOUSNESS
TOWARD THOSE AMONG US WHO ARE AGED OR SICK OR JOBLESS OR
LACKING IN EDUCATION OR OPPORTUNITY.

BUT NEITHER WILL THE AMERICAN PEOPLE ACCEPT A
MASSIVE BUREAUCRACY THAT IS TOO CLUMSY OR TOO POORLY-
MANAGED TO DO THE JOB.

OF COURSE,

^ MOST OF THE FUNDS WE SPEND IN FEDERAL PROGRAMS
BENEFIT THE PEOPLE FOR WHOM THEY ARE INTENDED.

--As a known or suspected.....

AS A KNOWN OR SUSPECTED PART OF THE TOTAL FEDERAL
BUDGET, LOSSES THROUGH FRAUD, ABUSE AND ERROR MAY BE SMALL.
~~BUT COMPARED TO THE TAX BILL~~ ^{AS PART OF THEIR} ^{TO} OF THE AVERAGE AMERICAN,
THOSE LOSSES ARE HUGE -- AND DEMORALIZING.

THE REAL DAMAGE OF FRAUD AND ABUSE CANNOT BE MEASURED
JUST IN DOLLARS AND CENTS. FOR THE VALUE OF THE PEOPLE'S
TRUST AND FAITH IN THEIR INSTITUTIONS OF SELF-GOVERNMENT IS
BEYOND PRICE.

IF WE ARE TO BE SUCCESSFUL IN OUR EFFORTS TO MAKE
GOVERNMENT WORK BETTER, ONE MYTH MUST BE DISPELLED AT THE
OUTSET -- THE MYTH THAT THE VALUES OF COMPASSION AND
EFFICIENCY ARE SOMEHOW IN OPPOSITION TO EACH OTHER.

THAT IS AS ABSURD AS IMAGINING THAT A PHYSICIAN'S
MEDICAL SKILLS ^{ARE} ~~IS~~ ^{THEIR} THE ENEMY OF ~~HIS OR HER~~ DEDICATION TO
CURING DISEASE.

NOTHING COULD BE MORE TOTALLY, MORE DANGEROUSLY WRONG.

WHEN A PROGRAM IS POORLY MANAGED -- WHEN IT IS RIDDLED
WITH WASTE AND FRAUD -- THE VICTIMS ARE NOT ABSTRACTIONS,...
BUT FLESH-AND-BLOOD HUMAN BEINGS.

THEY ARE THE UNEMPLOYED TEENAGER^S WHO GET~~TS~~ SHUT OUT
OF A JOB,....THE SENIOR CITIZEN^S DEPRIVED OF A NEEDED
MEDICAL SERVICE,....THE SCHOOL CHILD WHO GO~~ES~~^{ES} WITHOUT A
NUTRITIOUS MEAL^S,....THE TAXPAYER^S WHOSE HARD-EARNED DOLLAR^S
GO~~ES~~ DOWN THE DRAIN.

WHEN I LIVED IN PLAINS AFTER RETIRING FROM NAVAL
SERVICE, I WAS ABLE TO ^{EXPAND} ~~START~~ A SMALL BUSINESS PROCESSING
PEANUTS BECAUSE I OBTAINED AN S.B.A. LOAN WHEN I COULD NOT
RAISE PRIVATE FUNDS.

THERE ARE THOUSANDS OF AMERICANS, MANY OF THEM
MEMBERS OF MINORITY GROUPS, WHO DREAM OF STARTING A
BUSINESS OF THEIR OWN, AND SEEING IT GROW AND THRIVE, AND
HAVING THAT PRIDE OF PERSONAL INDEPENDENCE.

IT IS A CRUEL HOAX TO THESE AMERICANS TO SEE
THOSE DREAMS DESTROYED BY THOSE WHO ABUSE AND DEFRAUD
THE S.B.A.

-- THOSE OF US WHO BELIEVE.....

THOSE OF US WHO BELIEVE THAT OUR SOCIETY HAS AN OBLIGATION TOWARD ITS WEAKEST MEMBERS HAVE THE GREATEST STAKE IN IMPROVING THE MANAGEMENT AND EFFICIENCY OF THE PROGRAMS THAT ARE DESIGNED TO MEET THAT OBLIGATION.

THIS IS ESPECIALLY TRUE WHEN THE BATTLE AGAINST INFLATION MAKES IT IMPOSSIBLE TO BRING VAST NEW RESOURCES TO BEAR ON OUR SOCIAL PROBLEMS.

AT SUCH A TIME -- INDEED, AT ANY TIME -- EFFICIENT MANAGEMENT IS IN ITSELF AN ACT OF COMPASSION, FOR IT UNLOCKS NEW RESOURCES TO BE USED FOR HUMAN ENDS.

THERE IS A SECOND MYTH -- THE MYTH THAT IT IS SOMEHOW MORE COMPASSIONATE, MORE COMMITTED, TO APPROPRIATE ANOTHER BILLION DOLLARS OF THE TAXPAYERS' MONEY THAN TO STREAMLINE AN EXISTING PROGRAM SO THAT IT DELIVERS AN EXTRA BILLION DOLLARS' WORTH OF SERVICE.

IN FACT, THE LATTER IS PREFERABLE IN EVERY WAY. IT SAVES MONEY, OF COURSE. BUT IT DOES MORE THAN THAT.

EFFICIENT MANAGEMENT INCREASES POLITICAL SUPPORT FOR A PROGRAM AMONG THOSE WHOSE TAXES PAY FOR IT.

IT GIVES THE LIE TO THOSE WHO PREFER TO BELIEVE THAT PROGRAMS THAT MEET HUMAN NEEDS CANNOT WORK.

IT INSPIRES AND BOOSTS THE MORALE OF GOVERNMENT
EMPLOYEES WHO ARE DEEPLY FRUSTRATED WHEN THEIR HARD WORK
IS FRITTERED AWAY THROUGH WASTE OR FRAUD.

I DID NOT SELECT THAT ONE-BILLION-DOLLAR FIGURE
AT RANDOM. THIS IS THE AMOUNT THAT JOE CALIFANO HAS
VOWED TO SAVE IN FISCAL 1979 BY CUTTING DEEPLY INTO
WASTE AND FRAUD IN THE DEPARTMENT OF HEALTH, EDUCATION
AND WELFARE.

JOE'S EFFORTS, AND THOSE OF THOUSANDS OF OTHERS
WORKING WITH HIM AT H.E.W., ARE ALREADY SHOWING GOOD
RESULTS.

PROJECT MATCH IS SIFTING OUT THOSE ON THE FEDERAL
PAYROLL WHO ARE ILLEGALLY RECEIVING WELFARE BENEFITS.

THE PROJECT IS VERY NEW, BUT IT HAS ALREADY REPAID
ITS MILLION DOLLAR COST TWICE OVER.

PROJECT INTEGRITY IS NAILING THE THEIVES AND
CON-ARTISTS AMONG HEALTH CARE PROVIDERS.

THANKS TO TOUGH MANAGEMENT OF THE STUDENT FINANCIAL
AID PROGRAM, THE NUMBER OF STUDENT DEFAULTERS IS FALLING
INSTEAD OF RISEING FOR THE FIRST TIME IN THE PROGRAM'S
TEN-YEAR HISTORY -- AND THE BACKLOG, WHICH HIT 400,000
LAST MARCH, IS PROJECTED TO BE AT ZERO BY THE END OF 1980.

--THE CREDIT FOR THESE SUCCESSES....

THE CREDIT FOR THESE SUCCESSES BELONGS TO AN ACTIVE PARTNERSHIP BETWEEN THE FEDERAL GOVERNMENT AND THE STATES AND LOCALITIES.

SIMILAR EFFORTS ARE UNDERWAY IN OTHER PARTS OF THE FEDERAL GOVERNMENT.

THE LABOR DEPARTMENT IS ATTACKING ABUSE IN THE C.E.T.A. PROGRAM.

THE AGRICULTURE DEPARTMENT IS FIGHTING ILLEGAL TRAFFICKING IN FOOD STAMPS.

AT THE SMALL BUSINESS ADMINISTRATION AND THE GENERAL SERVICES ADMINISTRATION, WE ARE CRACKING DOWN ON FRAUD AND THEFT.

AT THE DEPARTMENT OF JUSTICE, THE PROSECUTION OF FRAUD WITHIN THE GOVERNMENT IS NOW A HIGH PRIORITY.

THE HEADLINES GENERATED BY THESE ACTIVITIES DO NOT ALWAYS MAKE PLEASANT READING.

BUT THOSE HEADLINES ARE A SIGN NOT THAT THINGS ARE GETTING WORSE,...BUT THAT THEY ARE IMPROVING.

WHEN I CAMPAIGNED FOR THE PRESIDENCY, I PROMISED
THE AMERICAN PEOPLE A COMPASSIONATE AND COMPETENT GOVERNMENT.
I HAVE NOT SWERVED FROM THAT GOAL.

OUR EXPANDING ATTACK ON WASTE AND FRAUD IS JUST ONE
FACET OF A LONG-TERM EFFORT TO IMPROVE THE FUNCTIONING OF
GOVERNMENT -- AN EFFORT THAT BEGAN THE DAY THAT I TOOK
OFFICE.

THAT EFFORT HAS MADE PROGRESS ON MANY FRONTS:

I HAVE USED THE APPOINTMENT POWER TO PLACE THE
BEST PEOPLE I COULD FIND AT THE HEAD OF THE DEPARTMENTS
AND REGULATORY AGENCIES -- REFORM-MINDED ^{LEADERS} ~~MEN AND WOMEN~~
WHO ARE FREE OF THE CONVENTIONAL ORTHODOXIES ABOUT
REGULATION AND ADMINISTRATION.

I HAVE EMBARKED ON REORGANIZATION OF THE FEDERAL
GOVERNMENT TO ELIMINATE THE WASTE CAUSED BY DUPLICATION
AND BUREAUCRATIC OVERLAP.

I SUBMITTED, AND THE CONGRESS PASSED, THE FIRST
SWEEPING REFORM OF THE CIVIL SERVICE SYSTEM IN ITS
CENTURY-LONG HISTORY.

CIVIL SERVICE REFORM GIVES THE DEPARTMENTS AND
AGENCIES A CHANCE TO STRENGTHEN THEIR TOTAL MANAGEMENT SYSTEMS.

--IT GIVES US THE ABILITY.....

IT GIVES US THE ABILITY TO DEAL FIRMLY WITH THOSE FEW WHO ARE DISHONEST OR INCOMPETENT, AND IT INCREASES THE REWARDS FOR EFFICIENCY AND EFFECTIVENESS AND ACCOUNTABILITY.

IT IS A MAJOR STEP TOWARD BUILDING A FEDERAL WORKFORCE DEDICATED TO COMPETENCE AND INTEGRITY AT EVERY LEVEL.

A YEAR AGO, WE INSTITUTED A PROGRAM OF SPECIAL RECOGNITION FOR FEDERAL PERSONNEL AT ALL LEVELS WHO SUGGESTED IMPROVEMENTS IN DOING GOVERNMENT WORK THAT PRODUCED SAVINGS OF \$5,000 OR MORE.

THE RESULTS WERE ASTOUNDING.

IN ONE YEAR, 1,380 PEOPLE IN 29 DEPARTMENTS AND AGENCIES CONTRIBUTED IMPROVEMENTS THAT BROUGHT SAVINGS OF OVER \$210 MILLION -- MORE THAN THE TOTAL AVERAGE INCOME TAXES OF 95,000 AMERICANS.

THESE RESULTS SHOW THAT GOOD MANAGEMENT AND EFFECTIVE USE OF INCENTIVES ARE AS EFFECTIVE IN REDUCING WASTE AND FRAUD AS ENFORCEMENT AND PUNISHMENT.

THE CIVIL SERVICE REFORM ACT PROVIDES GREATLY INCREASED CASH AWARDS, BOTH FROM AGENCIES AND FROM THE PRESIDENT, FOR EMPLOYEES WHO MAKE SIGNIFICANT SUGGESTIONS, IMPROVE GOVERNMENT OPERATIONS, REDUCE PAPERWORK, OR PERFORM SPECIAL ACTS OR SERVICES IN THE PUBLIC INTEREST.

WE HAVE WADED INTO THE THICKET OF POINTLESS RED TAPE AND REGULATIONS THAT WASTE THE TIME OF CITIZENS AND STATE AND LOCAL OFFICIALS.

FOR EXAMPLE, WE INHERITED MORE THAN 1,700 SEPARATE PLANNING REQUIREMENTS IN VARIOUS GRANT AND AID PROGRAMS.

WE ARE CHOPPING AWAY AT THESE OVERLAPPING REQUIREMENTS AND HAVE ELIMINATED OR CONSOLIDATED MORE THAN 300 OF THEM IN THE PAST YEAR.

WE'RE STILL AT IT, AND H.E.W. IS SETTING THE PACE.

LAST YEAR, I ASKED THE HEADS OF THE DEPARTMENTS AND AGENCIES TO IMPROVE THEIR AUDIT COORDINATION AND INCREASE THEIR RELIANCE ON STATE AND LOCAL AUDITS WHEREVER POSSIBLE.

A GOVERNMENT-WIDE EFFORT LED BY O.M.B. AND THE GENERAL ACCOUNTING OFFICE HAS NOW COME UP WITH A BREAKTHROUGH IN AUDITING FEDERALLY-ASSISTED PROGRAMS -- A SINGLE GUIDE TO REPLACE THE ALMOST 100 NOW IN USE.

WE NEED TO BRING THE SAME KIND OF SIMPLICITY TO OUR PUBLIC ASSISTANCE PROGRAMS.

TODAY THE WELFARE SYSTEM OF ONE STATE EATS UP 3 BILLION PIECES OF PAPER EACH YEAR AND A THOUSAND DIFFERENT FORMS.

--A WOMAN SEEKING ECONOMIC AID.....

A WOMAN SEEKING ECONOMIC AID IN ANOTHER STATE
HAD TO SPEND 300 HOURS IN ONE YEAR FILLING OUT PAPERWORK
DOCUMENTING HER NEED.

FOR THIS REASON I AM TODAY ASKING JIM McINTYRE AND
JOE CALIFANO TO HEAD A MAJOR EFFORT TO SIMPLIFY AND
STREAMLINE THE HUNDREDS OF COMPLEX ELIGIBILITY REQUIREMENTS
WHICH CONTRIBUTE \$3 BILLION EACH YEAR TO THE COST OF PUBLIC
ASSISTANCE AND OTHER HUMAN SERVICES PROGRAMS -- AN
ADMINISTRATIVE COST OVER AND ABOVE WHAT ACTUALLY GOES TO
THE RECIPIENTS.

WE WILL MOVE TO SIMPLIFY THESE PROCEDURES WHERE IT
REALLY COUNTS -- AT THE STATE AND LOCAL LEVEL.

WHERE WE HAVE THE TOOLS TO ROOT OUT FRAUD AND ABUSE,
WE HAVE PUT THEM TO WORK.

WHERE THEY DID NOT EXIST, WE ARE CREATING THEM.

PERHAPS THE MOST IMPORTANT NEW TOOLS IN THE FIGHT
AGAINST FRAUD ARE THE INSPECTORS GENERAL CREATED IN SIX
DEPARTMENTS AND SIX AGENCIES OF THE FEDERAL GOVERNMENT
BY AN ACT OF CONGRESS I SIGNED EIGHT WEEKS AGO.

THE INSPECTORS GENERAL WILL BE A POWERFUL NEW TOOL
FOR THE DISCOVERY AND ELIMINATION OF FRAUD.

THEY HAVE BROAD POWERS AND A SIGNIFICANT DEGREE OF
INDEPENDENCE.

I WILL CHOOSE THESE INSPECTORS GENERAL CAREFULLY.

I WANT THEM TO MATCH THE HIGH STANDARD SET BY
TOM MORRIS, THE FIRST INSPECTOR GENERAL I APPOINTED AT
H.E.W., WHO HAS HELPED SAVE THE AMERICAN TAXPAYERS
HALF A BILLION DOLLARS SINCE THE BEGINNING OF 1977.

I HAVE ALREADY DIRECTED JIM McINTYRE TO OVERSEE
THE SYSTEMS THE INSPECTORS GENERAL WILL RUN.

I WANT TO BE SURE THAT IN EACH DEPARTMENT COVERED
BY THE LAW, THE AUDITING AND INVESTIGATIVE FUNCTIONS
ARE MESHED IN A SMOOTH AND EFFECTIVE WAY.

TODAY I AM TAKING A FURTHER STEP.

I AM DIRECTING THAT SIGNIFICANT FEATURES OF THE
INSPECTORS GENERAL PROGRAM BE EXTENDED THROUGHOUT THE
FEDERAL GOVERNMENT.

-- EACH AGENCY AND DEPARTMENT.....

EACH AGENCY AND DEPARTMENT WILL PREPARE A PLAN
FOR ELIMINATING WASTE AND FRAUD IN ITS OWN ACTIVITIES,
AND WILL DESIGNATE A SINGLE OFFICIAL TO OVERSEE THE
PREPARATION AND IMPLEMENTATION OF THAT PLAN.

I HAVE ASSIGNED THE OFFICE OF MANAGEMENT AND BUDGET
RESPONSIBILITY FOR OVERSEEING THIS EFFORT.

I AM LOOKING TO THE ATTORNEY GENERAL TO ASSURE THAT
INVESTIGATIONS BY INSPECTORS GENERAL AND THEIR COUNTERPARTS
ARE EFFECTIVELY COORDINATED WITH OTHER INVESTIGATIVE AND
PROSECUTORIAL ACTIVITIES, SO THAT CRIMINAL MATTERS RECEIVE
IMMEDIATE AND EFFICIENT ATTENTION.

THE FIGHT AGAINST WASTE AND FRAUD WILL REQUIRE THE
BEST EFFORTS OF US ALL.

NEW PROGRAMS AND BETTER ENFORCEMENT WILL HELP.

BUT OUR MOST IMPORTANT WEAPON IN THIS STRUGGLE IS
THE VIGILANCE AND DEDICATION WE BRING TO IT.

I CALL ON ALL WHO WORK IN GOVERNMENT -- FEDERAL,
STATE AND LOCAL -- TO JOIN ME IN THIS BATTLE.

THE STAKES ARE HIGH.

IF WE SUCCEED -- AS I BELIEVE WE WILL -- WE WILL HAVE
KEPT FAITH WITH THE MILLIONS OF MEN, WOMEN AND CHILDREN
WHOSE HUMAN NEEDS OUR SOCIETY HAS PLEDGED TO MEET.

AND WE WILL HAVE KEPT FAITH WITH OURSELVES.

FOR THE ULTIMATE BENEFICIARY WILL BE DEMOCRATIC
SELF-GOVERNMENT IN ~~THIS~~ ^{THIS NATION} AMERICAN THAT ALL OF US LOVE.

#

THE WHITE HOUSE
WASHINGTON

rick--

this was the last
draft

--SSC

12.31

THE WHITE HOUSE
WASHINGTON
December 12, 1978

Susan
ok

MEMORANDUM FOR THE PRESIDENT

FROM: GREG SCHNEIDERS
BERNIE ARONSON
RICK HERTZBERG *Rik*

SUBJECT: SPEECH ON WASTE AND FRAUD

We have incorporated the changes you requested in the text and have tightened it up.

We thought it was important to state explicitly at the beginning what we hope will be the press lead for this speech: that you have declared a "war on waste and fraud" in government. The language we substituted in the opening paragraphs makes this point and also emphasizes that your efforts are part of a larger effort to restore trust and faith in government.

You will find in brackets on pages 3, 5, and 6 a few additional sentences and examples which help flesh out the points in the speech and give it more color. These paragraphs can be omitted or retained in your reading version as you prefer without altering the meaning.

The Attorney General has asked that the sentence on page 16, in double brackets, be added. OMB agrees.

Also attached are some possible jokes.

REMARKS AT HEW CONFERENCE ON FRAUD, ABUSE AND ERROR

December 13, 1978

Ladies and gentlemen --

I am delighted to join you today for this crucial conference. I want to commend Joe Califano for once again taking the lead in the efforts of my Administration to root out fraud and waste and abuse of taxpayer's money from this government.

This Administration has declared war on waste and fraud in government programs. With your help we will win that war.

We are concerned with more than saving dollars, crucial as that is today. We must restore and rebuild the trust that must exist in a democracy between a free people and their government.

My Administration took office after a painful and

difficult period in American history, as you well know.

The experience of Vietnam, of Watergate, revelations of wrongdoing by intelligence agencies, the resignations of a Vice President and President, the indictment and conviction of top government officials -- these hit the American people like hammer blows, over and over again. Each shattered, a little more, the trust and confidence of the American people in their government and their elected officials.

Cynicism and distrust eat away at the vitality of a democratic nation. Lincoln once said, "With public confidence everything is possible; without it nothing is possible."

Over the past two years, slowly and steadily, we've begun to restore the trust and confidence of the American people.

But it is not enough for people to have confidence in the good intentions and personal integrity of those who hold

public office. The American people must also know that government is capable of doing its job. Fraud and abuse and waste undermine that precious confidence.

[Those who rob from government rob from every steel worker, teacher, store clerk, and truck driver in America. Under this administration, those who rob from the American people will be prosecuted to the full extent of the law.]

I do not believe that Americans want to go back on the promise of a better life and a fairer society. The heart of America is too big for that. The American people will not accept callousness toward those among us who are aged or sick or jobless or lacking in education or opportunity. But neither will the American people accept a massive bureaucracy that is too clumsy or too poorly managed to do the job.

Most of the funds we spend in Federal programs benefit the people for whom they are intended. As a known or suspected

part of the total Federal budget, losses through fraud, abuse and error may be small. But compared to the tax bill of the average American, those losses are huge -- and demoralizing.

The real damage of fraud and abuse cannot be measured just in dollars and cents. For the value of the people's trust and faith in their institutions of self-government is beyond price.

If we are to be successful in our efforts to make government work better, one myth must be dispelled at the outset -- the myth that the values of compassion and efficiency are somehow in opposition to each other.

That is as absurd as imagining that a physician's medical skill is the enemy of his or her dedication to curing disease. Nothing could be more totally, more dangerously wrong.

When a program is poorly managed -- when it is riddled with waste and fraud -- the victims are not abstractions, but flesh-and-blood human beings. They are the unemployed teenager who gets shut out of a job -- the senior citizen deprived of a needed medical service -- the school child who goes without a nutritious meal -- the taxpayer whose hard-earned dollar goes down the drain.

I was the first in my family to have the opportunity to go to college because I had the privilege of attending the Naval Academy. There are young people throughout our Nation -- some who have gone to disadvantaged schools. But they have worked hard, and studied, and done well in their tests. And all they need to go on to college or vocational school is a loan or grant from the government to help them pay the bills until they will be in a position to repay that help. It is a cruel hoax for these young people to see the

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promise of an education denied because some students failed
to repay their loans and government looked the other way.7

or

When I lived in Plains after retiring from Naval
Service, I was able to start a small business processing
peanuts because I obtained an SBA loan when I could not raise
private funds. There are thousands of Americans, many of
them members of minority groups, who dream of starting a
business of their own, and seeing it grow and thrive and
having that pride of personal independence. It is a cruel
hoax to these Americans to see those dreams destroyed by
those who abuse and defraud the SBA.7

Those of us who believe that our society has an
obligation toward its weakest members have the greatest stake
in improving the management and efficiency of the programs
that are designed to meet that obligation. This is especially

true when the battle against inflation makes it impossible to bring vast new resources to bear on our social problems. At such a time -- indeed, at any time -- efficient management is in itself an act of compassion, for it unlocks new resources to be used for human ends.

There is a second myth -- the myth that it is somehow more compassionate, more committed, to appropriate another billion dollars of the taxpayers' money than to streamline an existing program so that it delivers an extra billion dollars' worth of service.

In fact, the latter is preferable in every way. It saves money, of course. But it does more than that.

Efficient management increases political support for a program among those whose taxes pay for it. It gives the lie to those who prefer to believe that programs that meet human needs cannot work. It inspires and boosts the morale

of government employees who are deeply frustrated when their hard work is frittered away through waste or fraud.

I did not select that one-billion-dollar figure at random. This is the amount that Joe Califano has vowed to save in fiscal 1979 by cutting deeply into waste and fraud in the Department of Health, Education and Welfare.

Joe's efforts, and those of thousands of others working with him at HEW, are already showing good results.

Project Match is sifting out those on the Federal payroll who are illegally receiving welfare benefits. The project is very new, but it has already repaid its million-dollar cost twice over.

Project Integrity is nailing the thieves and con-artists among health care providers.

Thanks to tough management of the student financial aid program, the number of student defaulters is falling instead

of rising for the first time in the program's ten-year history -- and the backlog, which hit 400,000 last March, is projected to be at zero by the end of 1980.

The credit for these successes belongs to an active partnership between the Federal government and the states and localities.

Similar efforts are underway in other parts of the Federal government. The Labor Department is attacking abuse in the CETA program. The Agriculture Department is fighting illegal trafficking in Food Stamps. At the Small Business Administration and the General Services Administration, we are cracking down on fraud and theft. At the Department of Justice, the prosecution of fraud within the government is now a high priority.

The headlines generated by these activities do not always make pleasant reading. But those headlines are a

sign not that things are getting worse, but that they are improving.

When I campaigned for the Presidency, I promised the American people a compassionate and competent government. I have not swerved from that goal. Our expanding attack on waste and fraud is just one facet of a long-term effort to improve the functioning of government -- an effort that began the day that I took office.

That effort has made progress on many fronts:

I have used the appointment power to place the best people I could find at the head of the departments and regulatory agencies -- reform-minded men and women who are free of the conventional orthodoxies about regulation and administration.

I have embarked on reorganization of the Federal government to eliminate the waste caused by duplication and

bureaucratic overlap.

I submitted, and the Congress passed, the first sweeping reform of the Civil Service system in its century-long history. Civil Service Reform gives the Departments and agencies a chance to strengthen their total management systems. It gives us the ability to deal firmly with those few who are dishonest or incompetent, and it increases the rewards for efficiency and effectiveness and accountability. It is a major step toward building a Federal workforce dedicated to competence and integrity at every level.

A year ago, we instituted a program of special recognition for Federal personnel at all levels who suggested improvements in doing government work that produced savings of \$5,000 or more. The results were astounding. In one year, 1,380 people in 29 departments and agencies contributed improvements that brought savings of over \$210 million -- more than the ^{total} average

income taxes of 95,000 Americans.

These results show that good management and effective use of incentives are as effective in reducing waste and fraud as enforcement and punishment.

The Civil Service Reform Act provides greatly increased cash awards, both from agencies and from the President, for employees who make significant suggestions, improve government operations, reduce paperwork, or perform special acts or services in the public interest.

We have waded into the thicket of pointless red tape and regulations that waste the time of citizens and state and local officials. For example, we inherited more than 1,700 separate planning requirements in various grant and aid programs. We are chopping away at these overlapping requirements and have eliminated or consolidated more than 300 of them in the past year. We're still at it, and HEW is setting the pace.

Last year, I asked the heads of the departments and agencies to improve their audit coordination and increase their reliance on state and local audits wherever possible.

A government-wide effort led by OMB and the General Accounting Office has now come up with a breakthrough in auditing Federally-assisted programs -- a single guide to replace the almost one hundred now in use.

We need to bring the same kind of simplicity to our public assistance programs.

Today the welfare system of one state eats up 3 billion pieces of paper each year and a thousand different forms. A woman seeking economic aid in another state had to spend 300 hours in one year filling out paperwork documenting her need.

For this reason I am today asking Jim McIntyre and

Joe Califano to head a major effort to simplify and streamline the hundreds of complex eligibility requirements which contribute \$3 billion each year to the cost of public assistance and other human services programs -- an administrative cost over and above what actually goes to the recipients. We will move to simplify these procedures where it really counts -- at the State and local level.

Where we have the tools to root out fraud and abuse, we have put them to work. Where they did not exist, we are creating them.

Perhaps the most important new tools in the fight against fraud are the Inspectors General created in six departments and six agencies of the Federal government by an act of Congress I signed eight weeks ago. The Inspectors General will be a powerful new tool for the discovery and elimination of fraud. They have broad powers and a significant degree of independence.

I will choose these Inspectors General carefully. I want them to match the high standard set by Tom Morris, the first Inspector General I appointed at HEW, who has helped save the American taxpayer half a billion dollars since the beginning of 1977.

I have already directed Jim McIntyre to oversee the systems the Inspectors General will run. I want to be sure that in each department covered by the law, the auditing and investigative functions are meshed in a smooth and effective way.

Today I am taking a further step. I am directing that significant features of the Inspectors General program be extended throughout the Federal government. Each agency and Department will prepare a ~~comprehensive~~ plan for eliminating waste, ^{and} fraud, ~~and mismanagement~~ in its own activities, and will designate a single official to oversee the preparation

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and implementation of that plan. I have assigned the Office of Management and Budget responsibility for overseeing this effort.

I am looking to the Attorney General to assure that investigations by Inspectors General and their counterparts are effectively coordinated with other investigative and prosecutorial activities, so that criminal matters receive immediate and efficient attention.I

ok

The fight against waste and fraud will require the best efforts of us all. New programs and better enforcement will help. But our most important weapon in this struggle is the vigilance and dedication we bring to it. I call on all who work in government -- Federal, State and local -- to join me in this battle.

The stakes are high. If we succeed -- as I believe we

will -- we will have kept faith with the millions of men,
women and children whose human needs our society has pledged
to meet. And we will have kept faith with ourselves. For
the ultimate beneficiary will be democratic self-government
in this America that all of us love.

#

THE WHITE HOUSE
WASHINGTON

December 13, 1978

TO: Rick Hutcheson

FROM: Sarah Weddington

Attached is the memo to the President that I will discuss with him at our meeting today at 2:45 p.m.

There is no need to circulate it to other staff.

2:45 PM

THE WHITE HOUSE
WASHINGTON

December 13, 1978

MEMORANDUM TO: The President

FROM: Sarah Weddington *S.W.*

RE: Accomplishments to Date; Proposed Work Agenda

I. Accomplishments to Date

A. ERA

1. Extension

You received credit for a major role in the victory.

2. Ratification

- (a) Compilation of information on each unratified state completed. (I will bring it to show you.)
- (b) My office has worked with Washington groups active on ERA. I have been to Oklahoma and Nevada; met with Lt. Governors of most unratified states (including Zell Miller, Ga.); played a key role in arranging for Jessie Rae Scott (Mrs. Bob Scott, wife of former governor) to be the ERA coalition director in North Carolina; and will visit with North Carolina leaders this weekend. I also visited Missouri.

B. Interdepartmental Task Force on Women

- 1. Over 50 agencies and departments have appointed a policy level and an agency liaison level representative. Twenty percent of the representatives are men.
- 2. The first meeting was held on December 4, 1978.
- 3. Staff has been hired, including a Ph.D. economist (Nancy Gordon) as director and a former assistant to Martha Keyes (Sandra Casber) as assistant; the office is functioning in the Vanguard Building.

C. Constituents Contacts

I have had meetings with representatives of all of the traditional women's groups and also with such groups as welfare mothers, women from moderate income working neighborhoods, pink collar workers, household workers, women particularly interested in education, Chinese-American women and Native-American women. The National Council of Catholic Women was included.

D. "Reaching Out"

I have done a series of speeches in Washington and in various states centering on what the Administration has done and is doing on women's issues. Out-of-town speeches included:

Michigan: Michigan Women Lawyer's State Meeting

Oklahoma: American Agri-Women National Meeting

New York: Thursday Caucus and Editorial Board of Good Housekeeping Magazine

Kansas City: Women's Division, Farmland Industries Annual Meeting

Washington and Texas: Regional Meetings on Women in Business

Massachusetts: The Kennedy School of Public Affairs, Harvard

Texas: Organization of Women Legislators National Meeting

E. Campaigning

Although I arrived toward the end of the campaign, I did campaign in California, Oregon, Washington, and New Mexico for Democratic candidates.

F. Press

The press has been extensive and very kind. National TV appearances have included "Good Morning America" and the CBS Morning News. I tape Dick Cavett later this month.

G. Memphis Conference

I believe the women delegates were generally very pleased with the Conference. I spoke on Friday to the DNC Women's Caucus luncheon; spoke on Friday afternoon to the Women's Agenda meeting; and moderated the ERA fundraiser Saturday night. I worked the floor on women's issues on Sunday.

II. Proposed Work Agenda

A. Work in Progress

1. Memo for the President and briefing for Mrs. Carter on ERA strategy; ERA ratification activities; preparation of better speech and informational materials.
2. Gathering and preparation for White House computer of names and addresses of women's organizations and individual women.
3. System for gathering and submitting the names of women for possible appointment. I am specifically not trying anything the magnitude of a "talent bank"; I am developing a "short list" of women who are outstanding appointment possibilities and targeting jobs GS-16 and above where I can be particularly helpful. We are also identifying professional women's organizations that have the ability to supply quality names.
4. Development of a theme or themes for our women's activities. I am currently using the theme that we are trying to help make available to women the choice of roles: the choice of the role of wife and mother (and to be honored for that choice and not be penalized for it); the choice of a role combining wife and mother and work outside the home; or the choice of a primary role as a professional.

Some I have visited with have suggested that I try to combine that theme with one reaffirming traditional values. Others have suggested that I need to have "variations on the theme" for specific audiences.

B. Proposed Interdepartmental Task Force Agenda

Although the general scope of work is the IWY Plan of Action, we must focus on a series of activities in order to narrow the scope of attention sufficiently to reduce results.

I see the Task Force as having both a research and an action orientation. A detailed outline of proposed activities is attached; it has previously been circulated to Eisenstat, Wexler, Moore, and Jordan.

C. Analysis of the woman voter and strategy for developing and broadening our women's constituency: I have contacted Kraft, Jordan, and the DNC about setting up an initial brainstorming session.

D. "Reaching Out"

1. I am contacting women's organizations to see if I or an administration woman could participate in their national meetings this year. I am developing a system of using various administration appointees both to give them more exposure and to represent the variety of administration involvement by women.
2. I have established a policy of meeting with women leaders from all segments when I am out of D.C. for a speech.

E. Constituent Contacts

I am doing research on black and hispanic organizations and women leaders and will begin a series of meetings with them.

F. I am scheduling regular breakfasts here to stay in touch with important groups and also to have an opportunity to explore ideas with people.

G. Other: I need to solidify work relationships in the White House.

Interdepartmental Task Force on Women

1111 20th St. N.W. Washington, D.C. 20226 • Room 3050

(202) 653-5406/653-5448

AREAS FOR TASK FORCE EFFORT

- I. Issues most appropriate for general research with ITFW staff leadership and involvement of ITFW representatives through subcommittee work.

In this section, the word "impact" is meant to imply an analysis of impact both on women as a whole and on various segments of women with a primary (though not exclusive) focus on economic impact and economic consequences to government and to society, both of the current situation and of suggested changes.

The questions indicated are only a partial listing of applicable questions.

- A. Administration inflation program -- This initiative deserves support through analysis and constructive recommendations. Included would be the program designed to reduce inflation and its components, including real wage insurance, pay standards in the private sector, and regulation of federal employment and practices (work to be in close cooperation with the staff of the Council on Wage and Price Stability).

Possible questions for examination include:

- What is the impact of inflation and what will be the program and its various components? Do the proposals affect all women in the same way? Are there variations in impact on segments of women?
- Will the proposals have a disproportionate impact on women? If so, is it possible to minimize the disproportionate impact? How?
- Are there significant regional differences regarding impact which ought to be considered?

- B. Welfare reform -- Obviously funds available for welfare reform are very limited, but legislation will likely be before this session of Congress and will affect large numbers of women.

- What is the impact of various reform proposals?
- What would be the impact of any proposals for how public service employment jobs will be allocated?
- What would be the impact of various treatments of the cost of child care? Will the cost of child care be "deductible expenses" for single parents whose earnings are sufficiently low that they still qualify for some public assistance?

- Are reform measures equally sensitive to family and work related needs of the target population?

C. National Health Insurance or Other Health Legislation -- Again funds available for health insurance legislation will be limited, but such legislation may well be before this session of Congress.

- What would be the impact of various proposals for coverage? As workers outside one's own home? As to such individuals and also dependent spouses and children? Would homemakers be eligible under any provisions of the plan?
- What would be the impact of various proposals for financing? If financed by a payroll tax, will couples with two earners pay more than couples with one earner (but the same total earnings) for the same protection?
- What would be the impact of proposals on types of workers covered? Would all workers be equally eligible for insurance? Would part-time and intermittent workers be covered?

D. Social Security Reform

- What is the impact of the current Social Security program? (Substantial study already done)
- What changes, if any, are included in proposed reforms which have an impact on women?
- What system, if any, would treat women more fairly?
- Will benefits for couples with the same earnings be the same regardless of the division of earnings between spouses?
- Will benefits for divorced homemakers reflect the length of marriage and the ex-spouses earnings?
- Would homemakers be protected if their spouses died before they were eligible for benefits?

E. Federal Estate Tax Reform

- What is the impact of the current system?
- Is there a system which treats women more fairly? What are the consequences of such a system?
- Would widows have community property rights and thus have their portion of the estate protected from taxation?

F. Tax Reform

- Will the division of earnings between spouses affect total tax liability?

- Will the marriage penalty be reduced or eliminated?
- How should "family run" but "husband owned" farms and businesses be treated for a State tax purpose?

G. Pension Reform

- Do the participation and vesting standards established by ERISA need to be strengthened to provide adequate private pension protection for women workers?
- Should the provision of private pension survivors' benefit be expanded to include survivors of vested workers who die before retirement?
- Should the Civil Service Pension System provide benefits to divorced spouses of participants?

H. Occupational Desegregation

- Are women's wages low because they are crowded into a few jobs?
- How can their wages be increased?
- What policies would encourage growth of female employment in jobs now held predominately by men?
- Job competition among women, youth and minorities, are these groups seeking the same types of jobs or are they in different sectors of the economy?

II. Areas for possible subcommittee activity with leadership from ITFW representatives.

- A. Analyze IWY Plan of Action for appropriate federal government action as to which parts would require legislation, which would require executive action, and which are appropriate for agency action.
- B. Follow implementation of part-time, flexi-time, and compressed time legislation.
- C. Monitor issues pertaining to federal employment of women, including Rockefeller pay plan, special emphasis program and similar issues.
- D. Examine work in progress to see what role ITFW might have, for example, monitor agency regulations that impact women (as compatible with Justice Task Force work); or coordinate analysis of Federal Women's Programs (as compatible with work of Civil Service Women's Program).
- E. Encourage work to improve balance of images portrayed by federal media activities.

- F. Coordination authority for sex discrimination legislation -- Title IX and comparable laws.
- G. Need for improved collection of federal statistics on women -- employment statistics and data on direct beneficiaries of federal programs.

III. Areas most appropriate for Task Force staff, with Chair's guidance. Will keep ITFW representatives informed and ask for specific help as needed.

- A. Direction of major research projects (Nancy Gordon)
- B. Liaison with Domestic Policy Staff: supply information regarding the impact of proposals on women and communicate ITFW's recommendations where applicable. (Nancy Gordon and/or Sandra Casber)
- C. To the extent possible, analyze federal budget proposals for their impact on women. (Sandra Casber)
 - With representatives supplying information on budget needs where ITFW help is appropriate.
- D. Supply information to Congress (in cooperation with Frank Moore's office) on Task Force work and on other issues of special concern to women, such as legislation on domestic violence, rape reform, displaced homemakers, funding of family planning initiatives. (Staff responsibility not yet assigned.)
- E. Liaison with groups interested in women's issues; respond to requests for suggestions of women to include in functions or with whom to share information. (Freda Wechsler)
- F. Recommendations on appointments (Abigail Havens)
 - With help from representatives on available positions
 - With representatives as resources for recommendations
 - Suggested concentration:
 - GS-16 and above
 - Those with greatest impact on women's issues
- G. ERA ratification monitoring and assistance. (Barbara Vackar and Freda Wechsler)
 - One specific project is preparing speech material to complement the President's request to agency and department heads to include ERA in their speeches.

- H. Press contact for ITFW. (Debbie Leff while detailed.)
- I. Provide information on work of ITFW. (Staff on detail)
- J. Staff support to ITFW. (Staff on detail)

IV. Some of the actions appropriate for individual Task Force members:

- Speeches
- Notify Abigail Havens regarding openings (real and rumored) GS-16 and above.
- Alert Sandra Casber on budget issues when intervention is appropriate and when it might make a difference.

- Notify us when if imppt of w. occur

2:00 PM

THE WHITE HOUSE
WASHINGTON

December 12, 1978

MEMORANDUM FOR THE PRESIDENT

From: Walt Wurfel *WW*

Subject: Your 10-minute drop-by the Gannett Newspaper executives' meeting at 2:00 p.m., Wednesday, December 13, Room 308 OEOB

This is the planned occasion for you to make the first mention of the Administration's suggested legislative remedies in the Stanford Daily case. Talking points are attached. They have been cleared by Stu's office and the Justice Department. After your welcome and the Stanford Daily comments, the Gannett executives would be pleased if you have the time to respond to two or three questions before leaving.

The full Stanford Daily announcement and briefings (by the Attorney General and Assistant Attorney General Phil Heymann) will occur in mid-afternoon Wednesday.

The 110 Gannett executives come from all the chain's 78 daily newspapers and from the corporate headquarters in Rochester, New York. Secretary Schlesinger will brief them before you arrive; Alfred Kahn will follow you.

The company is becoming more involved in broadcasting with its pending acquisition of Combined Communications Corp., which owns several newspapers and broadcast stations. Combined Communications Chairman John Louis and President Karl Eller and some of their executives are included in this meeting.

Gannett is the largest U.S. newspaper chain in terms of number of papers. It is the second largest in Sunday circulation. The company is traded on the NYSE. Its current price is 44, between the 1978 high of 50 3/8 and the low of 34 1/4.

The Corporation's 1978 earnings per share were \$2.96, compared to \$2.60 in 1977, \$2.22 in 1976, \$1.80 in 1975 and \$1.58 in 1974. Gannett specializes in papers in medium-size cities -- where the profits in publishing are greatest. The chain operates its own wire service, but does not make it available to non-Gannett papers.

The Gannett empire has dailies as far-flung as Guam, Hawaii and the Virgin Islands. Its newest daily, Today, started last August in suburban Westchester County, New York.

Chief Gannett executives in the meeting include Chairman Paul Miller; President Allen Neuharth and his wife; retiring Florida State Senator Lori Wilson (an independent); and Washington bureau chief John Curley. National political reporter Don Campbell will also be there.

Neuharth was involved in arranging for you to meet last week with the board of directors of the American Newspaper Publishers Association and their spouses. We cancelled that meeting by mutual consent after Neuharth advised us that 15 minutes was not enough.

There will be no White House press at the session, although it is on the record and a transcript will be made. A White House Photographer will be there.

SUGGESTED TALKING POINTS - STANFORD DAILY ANNOUNCEMENT

Supreme Court decision last May upholding police search of Stanford Daily files raised concerns:

- Confidential sources, so essential to press, may dry up.
- Media may be deterred from recording and preserving tapes or notes crucial to their news-gathering activities.

The Administration began an immediate study of the problems raised by the decision. Attorney General has made recommendations which I have approved.

Announcement:

We will soon submit to Congress legislation to reverse the threat proposed by the Stanford Daily decision.

Key elements:

- We would prohibit, with only limited exceptions, policy searches for the "work product" of the press and other persons gathering information for dissemination to public.

"Work Product" is notes, photographs, tapes, interview files.

- Exceptions

... Where there is imminent danger to life or of serious injury.

... Where the individual who took notes or photographs is a suspect in the crime under investigation.

- We would establish a "subpoena-first" rule for documentary materials that are held for publication but are not "work product."

Examples of "documentary materials"

...An extortion note; the film of a bank robbery taken by a hidden bank camera.

Exceptions are very limited.

- Our proposal applies not only to federal agents, but also to searches by state and local officials.

The aim of the proposals is to defend the freedom of the press.

The press would once again be free to gather information, protect confidential sources and maintain files without fear that they will be subject to an unannounced search.

Attorney General Bell and Assistant Attorney General Philip Heymann will brief reporters in detail this afternoon on the proposals.

Background Memorandum -- Stanford Daily Announcement

Basic Approach

- * Broad First Amendment materials bill (applies to all persons gathering information for dissemination to the public, including free-lance writers and academicians as well as major newspapers and broadcasting networks).
- * Applies to state and local searches as well as federal agents.

Key Features of the Proposal

1. Establishes a "no search" rule for the "work product" materials of a person possessing such materials in connection with the dissemination to the public of a newspaper, book, broadcast or other similar form of public communication in or affecting interstate or foreign commerce.

- * "Work product" would consist of any documentary materials created by or for an individual in connection with his or her plans for dissemination of information to the public, including notes, photographs, tapes, outtakes, videotapes, negatives, films, interview files, and drafts, except such materials as constitute contraband or the fruits or instrumentalities of a crime.
- * Subject to only two limited exceptions. It would not forbid a search for, and seizure of, work product (1) if the person possessing the material has committed or is committing the criminal offense for which the evidence is sought or (2) if the immediate seizure of the material is necessary to prevent the death of or serious bodily injury to a human being.

2. Establishes a "subpoena-first" rule for documentary materials which are held for publication but are not work product because they were not created by or for the press or because they are contraband or fruits or instrumentalities of a crime.

- * Non-work product documentary materials would include a ransom note or the film of a bank robbery taken by a hidden camera.

* Subject to four exceptions. The subpoena process would not have to be utilized instead of a search where (1) the person possessing the materials has committed or is committing the criminal offense for which the evidence is sought; or (2) the immediate seizure of the material is necessary to prevent the death of or serious injury to a human being; or (3) the giving of notice pursuant to a subpoena duces tecum would lead to the destruction, alteration or concealment of the materials, or (4) delay in an investigation or trial occasioned by review proceedings after an initial court order to deliver the documents in response to a subpoena would threaten the interests of justice. The possessor of the materials would, under the fourth exception, be given notice and an opportunity to submit an affidavit setting forth the factual basis for any contention that the materials sought are not properly subject to seizure.

3. Creates a right to recover damages for persons subjected to searches in violation of the "no search" rule or the "subpoena-first" rule.



Gannett
A World of Different Newspapers

Allen H. Neuharth
President and Chief Executive

DEC 12 1978

781212924

2:09 PM
Foster 500

AK
cc: BB
cc: RR

December 7, 1978

1978 DEC 12 PM 2:44

President Jimmy Carter
The White House
Washington, D. C. 20500

PRIORITY

Dear Mr. President:

Re your letter concerning voluntary price and wage standards:

Gannett will comply.

As your scheduling office knows, all Gannett publishers and managers from around the country (78 daily newspapers in 30 states) will meet in Washington next week. A key subject of our discussions will be implementation of your wage-price program.

Not so incidentally, we are scheduled for some briefings at the Executive Office Building on Wednesday afternoon, December 13, including a scheduled visit from you at 2:00 p.m.

Needless to say, it would be helpful to me in implementing this program if you were to make specific reference to the commitment on prices and wages which I have made to you.

Sincerely,

Al Neuharth

/d

6233

P

THE WHITE HOUSE
WASHINGTON

13 Dec 78

Stu Eizenstat

The attached was returned in
the President's outbox today
and is forwarded to you for
appropriate handling.

Rick Hutcheson

THE WHITE HOUSE

WASHINGTON

December 13, 1978

MR. PRESIDENT:

Tom Joe is now jointly sharing his time with HEW and the Domestic Policy Staff. This has been worked out with the excellent cooperation of Secretary Califano under an HEW contract agreement.

Tom will be advising us on disability and welfare issues, and will be of considerable assistance to me and my staff on the welfare reform proposal.

*Be very
modest*



Stu Eizenstat

How
THE WHITE HOUSE
WASHINGTON

12/12/78

Mr. President:

Adm. Rickover has requested
a 10 minute meeting at your con-
venience. Shall I work it in this
week?

☒ yes

☐ no


Phil

THE WHITE HOUSE
WASHINGTON

13 Dec 78

FOR THE RECORD:

TIM KRAFT AND HAMILTON JORDAN
RECEIVED COPIES.

THE WHITE HOUSE
WASHINGTON

12-13-78

To Ham

you & Tim avoid
a series of "WH staff
vs Cabinet" articles on
top personnel.

(See a.m. Post re
Labor Dept)

J.C.

cc Tim

THE WHITE HOUSE
WASHINGTON

Wednesday
December 13, 1978

MR. PRESIDENT

1. John DeButts wants to make a strong statement of support for your anti-inflation program at the end of your speech tonight to the Business Council.
2. If you take questions, you may get one on the rumored reorganization of the Commerce Department.

PHIL

12/14
3 pm

THE WHITE HOUSE
WASHINGTON

12/13/78

Mr. President:

Do you want a short meeting
with George Ball and Zbig this
week? Zbig said you mentioned it
to him.

☐ yes

☐ no


Phil

8:45 PM

THE WHITE HOUSE
WASHINGTON

C

December 13, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: ANNE WEXLER AND STU EIZENSTAT *AW* *Stu*
SUBJECT: Your Talking Points for Business Council
Dinner, December 13, 1978

We have reviewed the talking points prepared by Bernie Aronson and Bob Rackleff and have revised them to incorporate the following recommendations:

1. We recommend that you make a statement in support of ICC Chairman Dan O'Neal. You will recall that in your meeting with Brock Adams on Monday, we mentioned that House Public Works Committee Chairman Bizz Johnson and Jim Howard wrote to Dan O'Neal asking him to "stop" his new pro-competitive policies. We believe that it is important for you to (a) praise Dan O'Neal for his progress at the ICC in making trucking more competitive and urging him to step up his efforts; and to (b) state your intention to make additional ICC appointments who will bolster the ICC's new pro-competitive direction.
2. We recommend strengthening the portion of your remarks referring to business participation in the design of the program. Our understanding with the business leaders who are meeting with us is that we want their assistance in identifying regulations and other Federal actions which are unnecessarily inflationary and in identifying other actions we can take to reduce the inflationary impact of government.
3. We recommend that you strengthen your recognition of business leadership and relate the importance of business compliance to budget restraint.

For your information (and you should not mention this in your remarks), we have received approximately 250 responses from the Fortune 500 companies which received your letter of November 15 requesting compliance. Although about 70 companies pledge compliance, about 160 companies qualify their intent to comply basically around their lack of full knowledge about the final requirements. Therefore, your remarks should also more clearly reflect the fact that we only now have final regulations while acknowledging the generally positive business response.

In addition, the leaders of the major national business organizations have sent your letter to over 100,000 businesses urging those businesses to comply. This significant expansion of the compliance effort has come about because of the efforts of business leaders themselves and their willingness to take some risk in their support of the program.

We have indicated in the margin where we have made revisions.

REVISED TALKING POINTS FOR
BUSINESS COUNCIL DINNER
DECEMBER 13, 1978

John DeButts, members of the Business Council:

1. I want to begin by thanking the Business Council for its cooperation over the last year. You were a great help in passage of the Panama Canal Treaties, which helped restore confidence in our fairness to other nations -- Civil Service Reform, which is restoring the work ethic to government service -- and improvements in our export policies that will expand job opportunities here.

I depend on your advice and information, both from you individually and as an organization -- on economic issues and broader national concerns. One of the great strengths of our society has been a business community willing to involve itself in broad social issues.

2. Tonight, I want specifically to ask for your help in fighting inflation. Solving that problem is now our number-one priority. And solving it the right way -- voluntarily, with evenly shared sacrifices -- is just as important a priority.

3. We are carrying this point out against a backdrop of strong economic progress. In the past two years, we brought down the unemployment rate by one-fourth. It's now 5.8 percent, instead of eight percent. We've created seven million new jobs in the last two years. These new jobs helped get 1.3 million Americans off the welfare rolls. Today, 96.6 percent of all heads of households have jobs.

At the same time, economic growth is up 9.5 percent. We built two million new houses last year. Corporate profits are up 37 percent. Farm income is up 25 percent. And we cut taxes by \$40 billion over the last two years.

4. But these achievements are in jeopardy because of an inflation that has doubled the cost of living in the last eleven years. It is an inflation we can no longer chalk up to special factors such as crop failures or OPEC price increases. It is now our problem. It is a built-in, relentless march of wages and prices chasing each other in a self-defeating vicious circle. And it won't go away until we uniformly restrain ourselves.

That means strong Federal leadership, beginning with spending restraint and lower deficits. When I ran for the Presidency, the budget deficit was the highest in our history, \$66 billion. I have cut the deficit ^{by} ~~to~~ \$28 billion. And I intend to reduce the 1980 budget deficit to below \$30 billion. In 1976, the deficit was 4.1 percent of the GNP. In 1980, it will be about one percent of the GNP.

That's not an easy job. And I am finding out why my recent predecessors in the White House did not carry out a firm stand on spending. First, there are not many opportunities for real budget cutting. Because of entitlements mandated by law, about three-quarters of the budget are so-called uncontrollables. To reduce that spending takes changing the laws that authorized the program.

Second, the hardest word in the political vocabulary is "no." Everyone has a favorite government program. They expect it to grow each year. And they make themselves heard in Washington. So budget restraint is as much a political effort as an accounting effort.

I intend to meet my budget goals. But I will be fair and make sure that we don't retreat from important social goals. I am confident that I will have the support of the Congress.

5. We are also following through with a long-standing recommendation of the Business Council -- to reduce the unnecessary costs that government imposes on business and consumers. I will personally review new regulations which impose new costs on business and consumers to ensure that social goals are met with minimum government interference. And I will push for greater competition. We already deregulated the airline industry. Next year, we are going to begin to deregulate the trucking and railroad industries.

ICC Chairman Dan O'Neal has recently begun to take important steps to increase competition in the trucking industry. As with all hard choices, these steps have already created a lot of controversy. But I applaud his work and urge him to step up the pace of his efforts and take up even bolder initiatives. I also intend to appoint soon more members to the ICC to guarantee that strong, pro-competitive policies will continue.

I also want to continue basic, structural changes in our economy to expand exports, encourage new productivity growth, greater investment and R&D spending, and a sound domestic energy base.

Moreover, our program to restore confidence in the dollar abroad has already calmed down the exchange markets. The fall in the dollar's value added greatly to inflation. Its new health and prospects for continued improvement will ease pressures greatly.

Finally, Bill Miller is working at the Federal Reserve with my full support to restrain money supply growth. That is the only prudent route toward better economic health and lower interest rates in the long run.

6. I am determined to make this Federal effort a success. It is the only way we can expect wage and price restraint from the business community and labor. We have seen in the past the mistake of putting all the burden of restraint on the private economy, while the government continues spending as usual.

We also are going to ensure the fairness and workability of the wage and price standards. Just today, we released revisions and clarifications of these standards which will make your cooperation easier. Many of you were involved in this, and I think you'll be pleased with the results of your efforts. We will continue to listen carefully to your comments while the program is underway.

[And I hope you will continue to work with Fred Kahn and Juanita Kreps in making our anti-inflation efforts more successful. We need the advice and ideas of business and workers as well as consumers and all Americans.]

7. We can succeed without risk of a recession. The economy is fundamentally sound and growing. We don't see the imbalances that usually precede a recession. We have a good energy program in place to reduce imports and stimulate new domestic production. Housing is still strong and consumers are still in the market for your goods and services. A \$20 billion tax cut -- with new incentives for capital investment -- goes into effect in less than three weeks.

So while growth will undeniably slow down in 1979, we should not fear a recession because of our fight against inflation. In fact, we stand a better chance against a recession with an effective anti-inflation program.

8. For inflation threatens all our gains and all our hopes for continued growth. Inflation is robbing those we want to help most -- working families, the elderly, and the poor -- people who cannot protect themselves from economic disruptions. Inflation discourages our spirit of innovation and entrepreneurship. It robs everyone of the fruits of their labor and makes our nation less productive.

I cannot emphasize too strongly my commitment to bring down inflation. It goes to the heart of my promise to the people of this country to give them effective, compassionate government. People expect government to bring inflation under control. And I'm going to meet that expectation.

But I need your help to control inflation -- without controls, without a recession -- we must have the support of business, as well as labor and the general public. John DeButts and Tom Murphy recently announced the compliance of their companies with the wage and price standards. Others here have done likewise. The response from business leaders like yourselves has been very positive, although I know many understandably want to know the final details of the program before making a firm commitment.

I am also pleased that the leaders of major national business organizations have taken the significant step of writing to their members urging them to support the program. This represents an expansion to many thousands of corporations through the efforts of business leaders themselves. It is this kind of commitment that will make this program work.

I extend my thanks to you -- for your participation in developing the final regulations, for your efforts seeking compliance from your fellow business leaders, and, most important, for your willingness to be in the front line in our mutual efforts to deal with inflation. I appreciate what it takes to step forward and ask for sacrifice.

But we still have a ways to go. Now that there are final regulations, I hope that all of you here will now be able to join in announcing compliance with the program. The corporations you head are the pacesetters of our economy. Your output alone is a major share of our Gross National Product. Your leadership will be crucial to many thousands of businesses. 7

Added

Material

9. Let me add one point to stress the importance of your voluntary compliance. Business leaders have urged a reduction in the federal deficit. Although my budget decisions will be fair, budget restraint means that I am asking for some sacrifice when I must say "no" to a favorite government program. Fairness also dictates, and I believe the American people expect, the sacrifice to be shared. Now is the opportunity for the business community, by its strong compliance in spirit as well as in detail, to set an example of sacrifice for all segments of our society.]

So I am counting on your help in making our anti-inflation fight a success. In turn, you can count on my firm commitment to the long-overdue government efforts to act prudently, in the best interests of a strong, enduring American economy.

8:45 PM

THE WHITE HOUSE

WASHINGTON

December 12, 1978

C

MEMORANDUM FOR THE PRESIDENT

FROM: BERNIE ARONSON, ^{BP} BOB RACKLEFF ^{BR}

SUBJECT: Talking Points for Business Council
Dinner, December 13, 1978

John DeButts, members of the Business Council:

1. I want to begin by thanking the Business Council for its cooperation over the last year. You were a great help in passage of the Panama Canal Treaties, which helped restore confidence in our fairness to other nations -- Civil Service Reform, which is restoring the work ethic to government service -- and improvements in our export policies that will expand job opportunities here.

I depend on your advice and information, both from you individually and as an organization -- on economic issues and broader national concerns. One of the great strengths of our society has been a business community willing to involve itself in broad social issues.

2. Tonight, I want specifically to ask for your help in fighting inflation. Solving that problem is now our number-one priority. And solving it the right way -- voluntarily, with evenly shared sacrifices -- is just as important a priority.

3. We are carrying this out against a backdrop of strong economic progress. In the past two years, we brought down the unemployment rate by one-fourth. It's now 5.8 percent, instead of eight percent. We've created seven million new jobs in the last two years. These new jobs helped get 1.3 million Americans off the welfare rolls. Today, 96.6 percent of all heads of households have jobs.

At the same time, economic growth is up 9.5 percent. We built two million new houses last year. Corporate profits are up 37 percent. Farm income is up 25 percent. And we cut taxes by \$40 billion over the last two years.

4. But these achievements are in jeopardy because of an inflation that has doubled the cost of living in the last eleven

years. It is an inflation we can no longer chalk up to special factors such as crop failures or OPEC price increases. It is now our problem. It is a built-in, relentless march of wages and prices chasing each other in a self-defeating vicious circle. And it won't go away until we uniformly restrain ourselves.

That means strong Federal leadership, beginning with spending restraint and lower deficits. When I ran for the Presidency, the budget deficit was the highest in our history, \$66 billion. I have cut the deficit \$28 billion. And I intend to reduce the 1980 budget deficit to below \$30 billion. In 1976, the deficit was 4.1 percent of the GNP. In 1980, it will be about one percent of the GNP.

That's not an easy job. And I am finding out why my recent predecessors in the White House did not carry out a firm stand on spending. First, there are not many opportunities for real budget cutting. Because of entitlements mandated by law, about three-quarters of the budget are so-called uncontrollables. To reduce that spending takes changing the laws that authorized the program.

Second, the hardest word in the political vocabulary is "no." Everyone has a favorite government program. They expect it to grow each year. And they make themselves heard in Washington. So budget restraint is as much a political effort as an accounting effort.

I intend to meet my budget goals. But I will be fair and make sure that we don't retreat from important social goals. I am confident that I will have the support of the Congress.

5. We are also following through with a long-standing recommendation of the Business Council -- to reduce the unnecessary costs that government imposes on business and consumers. I will personally review new regulations which impose new costs on business and consumers to ensure that social goals are met with minimum government interference. And I will push for greater competition. We already deregulated the airline industry. Next year, we are going to deregulate the trucking and railroad industries.

I also want to continue basic, structural changes in our economy to expand exports, encourage new productivity growth, greater investment and R&D spending, and a sound domestic energy base.

Moreover, our program to restore confidence in the dollar abroad has already calmed down the exchange markets. The fall in the dollar's value added greatly to inflation. Its new health and prospects for continued improvement will ease pressures greatly.

Finally, Bill Miller is working at the Federal Reserve with my full support to restrain money supply growth. That is the only prudent route toward better economic health and lower interest rates in the long run.

6. I am determined to make this Federal effort a success. It is the only way we can expect wage and price restraint from the business community and labor. We have seen in the past the mistake of putting all the burden of restraint on the private economy, while the government continues spending as usual.

We also are going to ensure the fairness and workability of the wage and price standards. Just today, we released revisions and clarifications of these standards which will make your cooperation easier. Many of you were involved in this, and I think you'll be pleased with the results of your efforts. We will continue to listen carefully to your comments while the program is underway.

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So while growth will undeniably slow down in 1979, we should not fear a recession because of our fight against inflation. In fact, we stand a better chance against a recession with an effective anti-inflation program.

8. For inflation threatens all our gains and all our hopes for continued growth. Inflation is robbing those we want to help most -- working families, the elderly, and the poor -- people who cannot protect themselves from economic disruptions. Inflation discourages our spirit of innovation and entrepreneurship. It robs everyone of the fruits of their labor and makes our nation less productive.

I cannot emphasize too strongly my commitment to bring down inflation. It goes to the heart of my promise to the people of this country to give them effective, compassionate government. People expect government to bring inflation under control. And I'm going to meet that expectation.

But I need your help. To control inflation -- without controls, without a recession -- we must have support of business,

as well as labor and the general public. John DeButts and Tom Murphy recently announced their compliance with the wage and price standards. Others here have done likewise. I hope that all of you here will follow suit.

I was also pleased that the leaders of major national business organizations have written to their members urging support of the program. The corporations you head are the pacesetters of our economy. Your output alone is a major share of our gross national product.

So I am counting on your help in making our anti-inflation fight a success. In turn, you can count on my firm commitment to the long-overdue government efforts to act prudently, in the best interests of a strong, enduring American economy.

#

8:45 PM

THE WHITE HOUSE

WASHINGTON

December 13, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

Greg Schneiders *GS*

SUBJECT:

Addition to the Talking Points For
Business Council Speech

The attached talking point was suggested by Treasury and
approved by Stu and Charlie Schultze.

Over the last several months, in constructing the October 24 anti-inflation program and the November 1 measures to stabilize the dollar, I have streamlined the organization of economic policymaking within the Administration.

As before, my entire Cabinet continues to participate actively in the development of economic policies. However, for the coordination of all these efforts, I now look to a small Steering Committee of the Economic Policy Group.

The Committee is chaired by the Secretary of the Treasury, Mike Blumenthal, who is my senior Cabinet officer on economic and financial affairs and my chief spokesman on economic policy. Secretary Blumenthal typically convenes the Committee several times a week. The Committee includes my core advisors on economic policy -- CEA Chairman, Charlie Schultze, OMB Director, Jim McIntyre, my special Inflation Advisor, Fred Kahn, and my Assistant for Domestic Policy, Stu Eizenstat.

These advisors work together closely as a team, consulting frequently with the Secretaries of State, Labor and Commerce and other members of my Cabinet, in developing and analyzing all elements of our economic policy, both domestic and international.

This streamlined system provides me the widest possible range of options and advice, while at the same time focusing on a small core group of advisors the on-going responsibility for involving other Cabinet officers and drawing the various elements together into a coherent structure of policy.

Bus Council
12/13/78

\$ value - stabilized
Coop - Fed Reserve Econ Pol Group

Continue Coop

Do not anticipate recession

No imbalances = Housing = \$20 B Tax cut

Controlling infl ≠ recession

Final regulations → your pledge of support

Design - Counsel - influence

John De Butts, mbrs

Coop. Panama. Civ Serv - Energy - Econ + pol

Inflation - #1 - Equal Sacrifice

Unemp ↓ $\frac{1}{4}$ = 7 mil = -1.3 mil

96% heads of households

Econ growth $\uparrow 9\frac{1}{2}\%$ = Corp Prof 37%

Farm inc 25% = Taxes \$40 B / 2 yrs

Inflation 2x / 11 yrs = No Spec factors

Fed = Deficit ↓ \$28 B = $\frac{1}{4}$ of GNP $\rightarrow 80\%$

Strong defense (23% → 21%)

Deleg - airlines new

ICC chmn Dan O'Neal + mbrs

Exports - Productivity - R & D - Energy

THE WHITE HOUSE
WASHINGTON

December 13, 1978

MEMORANDUM TO THE PRESIDENT

FROM: BOB LIPSHUTZ *BL*

RE: Guyana

I have been working with the Department of Justice and the State Department relative to the three questions which are receiving a growing amount of public interest:

1. By what legal authority did the federal government take action to remove the bodies of the American citizens from Guyana?

Although at the time of the action this authority was not clear to the parties handling the situation, the Justice Department now is satisfied that it can present a sound position that such action is authorized as an emergency power of the President. However, as yet the source of properly appropriated funds has not been fully determined.

2. How much did this operation cost the federal government?

It appears that this will be in the neighborhood of \$4 million.

3. What, if anything, is the federal government doing to recover the money expended, or at least a substantial part of it?

About 10 days ago I urged the Justice Department to take aggressive action to tie up the assets of the "Temple" and try to develop appropriate legal theories on which to recover these costs from the apparent liquid assets and real estate owned by it. Although the research has not been completed, the Justice Department apparently has developed at least one legal theory on which it is prepared to act: that the "Temple" has an obligation to

bury its dead, as a result of having its members turning over assets to it, and therefore the government has a right to step in and recover the cost of such burial and related expenses.

I will keep you advised as these questions are resolved.

ID 786237

THE WHITE HOUSE

WASHINGTON

DATE: 13 DEC 78

FOR ACTION:

INFO ONLY: THE VICE PRESIDENT

JODY POWELL

JERRY RAFSHOON

SUBJECT: LIPSHUTZ MEMO RE GUYANA

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+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: +

+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW: